

Rural Energy for America Program

Guaranteed Loans



USDA Rural Development's Rural Energy for America Program (REAP) has grants, guaranteed loans and combination grant/guaranteed loans available to help agricultural producers and rural small businesses purchase and install renewable energy systems and make energy efficiency improvements.

Des Moines State Office

210 Walnut Street, Room 873

Des Moines, IA 50309

515-284-4714

Eligible Applicants:

- Agricultural producer that is directly engaged in the production of agricultural products and obtains at least 50% of gross income from this business
- Rural small business as defined by the Small Business Administration's standards:
www.sba.gov/content/table-small-business-size-standards (Rural - less than 50,000)

Loan Amounts:

- Minimum - \$5,000; Maximum - \$25 million.
- May not exceed 75% of total eligible project costs.

Percent of Guarantee:

- < \$600K = 85%
- > \$600K up to \$5MM = 80%
- > \$5MM up to \$10MM = 70%
- > \$10MM = 60%

Eligible Project Costs:

- Post-application purchase and installation of equipment (new, refurbished, or remanufactured), except agricultural tillage equipment, used equipment, and vehicles.
- Post-application construction or improvements, except residential.
- Energy audits or assessments.
- Permit and license fees.
- Professional service fees, except for application preparation.
- Feasibility studies, Technical reports, and Business plans
- Retrofitting.
- Construction of a new energy efficient facility when used for same purpose, is approximately the same size, and, based on the energy assessment or audit, will provide more energy savings than improving an existing facility.
- Energy efficiency improvements, as identified in an energy assessment or audit. (Equipment identified by the audit to be replaced shall be replaced with equipment similar in capacity. If the energy efficiency improvement has a greater capacity than the existing equipment, the Agency will pro-rate the energy efficiency improvement's total eligible project costs based on the capacity of the existing equipment)
- Working capital.
- Land acquisition.

Loan Terms:

- Not to exceed: Real estate - 30 yrs; Machinery and equipment - 20 yrs, or useful life; Working capital - 7 yrs.
- Interest negotiated between Lender & Borrower, rate not to adjust more frequently than quarterly. No balloons.

Types of Projects:

Renewable Energy:

- Bioenergy, Anaerobic digester, Geothermal – electric generation and direct use, Small and large wind or solar, Hydropower, Hydrogen

Energy Efficiency:

- Improvements need to be verified by an energy audit or assessment

Project Eligibility:

- The project must be for a pre-commercial or commercially available, and replicable technology.
- The project must have technical merit.
- The applicant must be the owner of the project and control the revenues and expenses of the project, including operation and maintenance. A third party under contract to the owner may be used to control revenues and expenses and manage the operation and/or maintenance of the project
- Sites must be controlled by the agricultural producer or rural small business for the financing term of any associated Federal loans or loan guarantees.
- Satisfactory sources of revenue sufficient to provide for the operation, management, maintenance, and debt service of the project for the life of the project.

Application Process:

- Applications may be submitted to any USDA Rural Development Area or State office and must meet all requirements, including technical and environmental.
- Applications are accepted any time. To compete for current Fiscal Year funding, contact your Area Office for specific due dates.

For More Information Contact:

USDA Rural Development State Office

210 Walnut Street, Room 873

Des Moines, IA 50309

Phone: 515-284-4714

Fax: 855-251-243

www.rurdev.usda.gov/ia



EQUAL HOUSING OPPORTUNITY

USDA Rural Development is an Equal Opportunity Lender, Provider and Employer.

Complaints of discrimination should be sent to USDA, Director, OCR, Washington D.C. 20250-9410

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Rural Development
Iowa State Office

